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## Statement as Delivered

Ambassador Michael Kantor

March 13, 1999  
Beijing, China

I want to brief you today on the results of three productive days of meetings here in Beijing. Our work has resulted in new steps forward in U.S.-China relations.

In three days, we've:

- Signed an important new agreement on IPR;
- Engaged in technical assistance to implement the agreement;
- Reached an "eight point accord" that's a roadmap for our work to resolve differences over market access, services, agriculture, and China's accession to the WTO.
- Signed a new agreement on space launch services.

At the invitation of the Chinese, and at the request of President Clinton, I came to Beijing to launch the Intellectual Property Rights enforcement Agreement and to discuss a wide range of trade and other issues.

I am honored to have just come from a meeting with President Jiang Zemin and with Vice Premier Li Lanqing. We had a productive and frank exchange on trade and other issues.

The most important theme of my trip has been the promotion of our relations on the basis of reciprocal responsibility and the rule of law. The new IPR agreement is a model in that regard.

The new agreement is a concrete sign that China is accepting the rule of law in some aspects of important areas. As I told a group of Chinese students last Saturday, laws are animated by the resolve of nations to hold them supreme.

With the technical assistance of U.S. government officials and private industry representatives on this trip, China is establishing the mechanisms necessary to recognize the rule of law in the area of protecting intellectual property rights -- from enforcement task forces to the right of individuals to challenge infringers -- to a more transparent and accessible enforcement process. This system will benefit Chinese citizens as much as U.S. exporters.

We remain disappointed that China has not taken additional steps on human rights. China has not moved significantly in key areas of concern. This is an issue of great importance to the President and to the United States, and an area where we will

continue to press. And failure to make progress will continue to present difficulties.

On IPR, I came prepared to launch the Agreement and demonstrate our seriousness in seeing the Agreement implemented. I have been very pleased to learn that the Chinese are equally dedicated to implementation of the Agreement.

I learned this morning that China has devoted over one million people from the courts, prosecutors, police, and other IPR and law enforcement agencies to stamping out piracy.

For our part, I brought with me the Commissioner of the U.S. Customs Service, George Weise, senior officials from the Department of Justice, the Federal Bureau of Investigation, and the Department of Commerce to set up training and assistance programs for Chinese IPR enforcement agencies.

At the same time, 10 CEOs and senior executives from companies and associations that represent the full range of industries that rely on intellectual property rights protection. They are the industries that rely on creative ideas and the inventive genius of the American people -- and it is those ideas that the IPR Agreement will protect.

Our industries will be looking for successful implementation of the market access commitments in the Agreement as they themselves commit to providing substantial assistance to China's enforcement efforts.

Over the course of the last three days, U.S. government officials and the businessmen have met with their Chinese counterparts to begin technical assistance on enforcement. The businessmen have also begun talks on the formation of joint ventures in the audiovisual and computer sectors.

I reached an 8 point agreement with Minister Wu Yi on market access, bilateral services, and China's accession to the WTO. Point one, China has agreed to lift the suspension of the 1992 market access Agreement as soon as possible, in any event no later than March 31, 1995. China will now lift quotas and licensing requirements on a wide range of agricultural products, textile machinery, textile and apparel products, computers, and heavy machinery.

In addition, China and the United States jointly agreed to vigorously pursue on a bilateral basis market access for value-added telecom services and insurance. Both sides agreed that these discussions will be based on U.S. proposals tabled in bilateral services negotiations last fall.

In both areas, the United States has asked for commercial presence for U.S. telecom companies and for insurance providers on a graduated basis -- and for licenses for U.S. companies.

The United States and China also agreed to implement the Letter of Intent on market access for agricultural products -- including cherry exports from Washington state, expanded access for apple exports, leaf tobacco, and livestock and genetic products. Minister Wu and I renewed our commitment to resolve differences over standards for U.S. fruit and wheat. Negotiations on these issues will be held over the next two months.

On the WTO, as previously stated, the United States will support China's accession to the WTO as a founding member. For my part, I have agreed to become personally involved with and review all proposals related to China's WTO accession. Further, both countries agreed to pursue China's WTO accession talks on a flexible, pragmatic basis, with the understanding that all WTO members are committed to reach commercially-viable agreements. We would expect the same from all of our trading partners. Those talks are expected to begin in late April in Geneva.

Minister Wu and I agreed to address realistically the issue of China's developing country status. Both countries understand that China could be characterized as developed or developing depending on the UR round category. This agreement dictates that we move beyond labels and address each issue on a realistic, pragmatic basis.

Finally, in all discussions, the United States and China will conduct all negotiations with a positive attitude and recognize the growing importance of our trade relationship.

Last, I am pleased to conclude my first trip to China by renewing our bilateral space launch agreement. In the six years since the first agreement was signed in 1989, China has become a recognized competitor in the international market for space launch services. This Agreement benefits both the United States and China. The market for satellite services requiring space launch vehicles is in a period of rapid change which will create new commercial launch service opportunities. Through this agreement, China's ability to compete for these opportunities will grow, with increased potential for cooperation between U.S. and Chinese firms.

The Agreement will permit China to participate in the international market for launch services while providing necessary safeguards against market disruption.

In my many discussions with Chinese leaders, I have discovered that we share a large number of common goals on trade. Just as our negotiators discovered during the IPR negotiations, with flexible, creative thinking on both sides, we can move from common goals to common vision to common ground.